

**Board of County Commissioners
Leon County, Florida**

**Workshop for the Consideration of the Current
General Government Facilities and Parks Capital
Improvement Program**

**12:00 PM - 1:30 PM
Tuesday, January 25, 2005**

**Leon County Board of County Commissioner Chambers
Leon County Courthouse, 5th Floor**

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Board of County Commissioners

Workshop Item

Date of Meeting: January 25, 2005

Date Submitted: January 19, 2005

To: Honorable Chairman and Members of the Board

From: Parwez Alam, County Administrator
Vincent S. Long, Assistant County Administrator
Kim Dressel, Director, Management Services
Tony Park, Director, Public Works
Alan Rosenzweig, Director, Office of Management and Budget

Subject: Consideration of the Current General Government Facilities and Parks
Capital Improvement Program

Statement of Issue:

For Board review of the current general government facilities and parks capital improvement program and to make determinations regarding funding and project implementation.

Background:

On October 12, 2004, the Board of County Commissioners approved the long-term space plan for the Bank of America and Courthouse facilities. On October 26, 2004, the Board revised the financing plan for the project to not include the sale of acreage adjacent to Tom Brown Park. At the January 11, 2005 meeting, the Board authorized entering into an interlocal agreement with the City of Tallahassee for this acreage to be designated as park land. The agreement allows for a portion of the land to be developed as a public library if authorized by the Board. As a result of the adjustment to the financing plan, staff has been reviewing opportunities to provide funding for the completion of the overall project.

At the December 14, 2004 meeting, the Board directed staff to pursue alternatives to renovating the existing GEM Facility on Tharpe Street. The low bid received can only be guaranteed by the contractor until February 15, 2005. The current budget is adequate to support this project.

On January 11, 2005, the Board authorized the purchase of land necessary for the development of the Woodville Community Center. The current budget is not adequate to fully fund the required development costs for this project. In addition, the County is considering long-term solutions for the Miccosukee Community Center and is in current communication with the School Board officials regarding the Ft. Braden Community Center. Other projects currently being considered in the five year CIP include two branch libraries and other various parks.

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This workshop item will provide a status report on the numerous projects as well as scenarios the Board may consider in prioritizing the funding available.

Analysis:

The analysis section of this item is structured as follows:

1. Resources available for allocation
2. Current projects requiring additional funding
3. Other projects
4. Projects requiring additional future funding
5. Growth and Environmental (GEM) project
6. Conclusion

1. Resources Available for Allocation

There are three sources of funds that are currently recommended for use to address the additional needs: 1A) The County's budgeted payment to the Department of Juvenile Justice (DJJ), 1B) FY03/04 Constitutional Officer Excess Fees and 1C) Anticipated proceeds from the Thomasville Road – old Bradfordville school land sale.

1A) DJJ Payment

Included in the adopted FY04/05 Budget is an anticipated payment of \$1.4 million to the DJJ. This payment was required as a result of legislation passed during the last legislative session. However, the Florida Association of Counties and a number of specific counties, including Leon, sued the State over this payment. The Circuit Court Judge has ruled that the Counties do not have to make this payment. However, during the most recent special session, the Legislature adopted revised legislation that will have the State fund the DJJ for the first 9 months of FY04/05 and the County responsible for the balance of the year. Based on this new legislation, the County will be responsible for subsequent fiscal year's total funding requirement. Therefore, for the current fiscal year there is an estimated \$1.0 million available for reallocation within the County's budget.

1B) Constitutional Officer Excess Fees

In accordance with Florida Statutes, the Constitutional Officers (Clerk of the Circuit Court, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections) are required to return to the Board any unspent funds during the prior fiscal year. Based on trend analysis and other adjustments made during the year, the County budget contemplates some of these excess fees as anticipated revenues. The following table shows the anticipated amount, the actual amount and a difference:

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Table 1B: Constitutional Officer Excess Fees

Officer	Budgeted \$	Actual \$	Difference \$
Clerk	926,982	2,050,997	1,124,015
Property Appraiser	180,000	267,198	87,198
Sheriff	23,750	40,229	16,479
Supervisor of Elections	0	38,882	38,882
Tax Collector	443,188	454,619	11,431
Total	1,573,920	2,851,925	1,278,005

As reflected in the table above, the Board received \$1,278,005 in excess fees greater than was anticipated. Typically these funds would be allocated towards fund balance.

1C) Old Bradfordville School Site

As the County is relocating the Bradfordville Community Center, the land associated with the existing site is anticipated to be sold. Based on previous bids received for this site the County contemplates receiving at least \$175,000. The Board will be considering the disposition of this land at their February 8th meeting. The sale of the property was previously designated as part of the funding for flooded property acquisition, but is requested to be realigned at this time.

Table 1C: Summary of Resources

DJJ Payment – Excess for current fiscal year	\$1.0 M
Excess Fees	\$1.278 M
Sale of Bradfordville Comm. Center Land	\$0.175 M
Total Additional Resources	\$2.453 M

2. Current Projects Requiring Additional Funding

The following are the current projects requiring additional funding:

- 2A) Bradfordville Community Center
- 2B) Miccosukee Community Center
- 2C) Woodville Community Center
- 2D) Capital Cascades Greenway
- 2E) Chaires Community Park
- 2F) Northeast Community Park
- 2G) Main Library and Health Department Heating/Cooling Systems

A number of the projects being considered will have on-going operating and maintenance costs. These costs range from utility expenses to additional staff. In addition, as with any facility, there will be future needs associated with equipment repair, staff support for facility event set-up and other similar types of requests. With the continued expansion of the Board's commitment to community centers, it is recommended that the Board consider an overall policy as it relates to the County's obligations.

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2A) Bradfordville Community Center -- 6711 Thomasville Rd. (Own) 1,158 SF

In October 1940, the Board of County Commissioners came into possession of the Old Bradfordville School building and property, located at 6711 Thomasville Road. The initial cost estimate was based on simple relocation of the Old Bradfordville School from its current location to Lot 4 of the Lauder & Lauder Limited Partition Subdivision, with hookups and access through the surrounding commercial development. However, costs have increased as a result of the final stipulated development criteria. Designs and permits are being finalized at this time and must be completed before this project can be bid. This project is anticipated to be completed in mid to late 2005.

Table 2A

Bradfordville Community Center	Available Budget	Cost to Complete	Budget Shortfall
	\$44,378	\$157,710	\$113,332

2B) Miccosukee Community Center -- 13887 Moccasin Gap Rd (Own) 3,000 SF

The Miccosukee Community Center is a single story, 3,000 SF timber frame facility. It is located on one acre of land donated by a family to the County in April 1958. The property includes a Warranty Deed with a reverter that provides that the County must continue to use the property for County purposes. Staff contacted the County Attorneys Office (CAO) regarding this Warranty Deed restriction and was advised that the County should consider an option that included obtaining a written release of the reverter from the Quitclaim Deed. Staff recommends following the CAO's recommendation and obtaining a written release before making an additional large capital investment on this property. In addition to the one acre that was donated to the County with the reverter clause, the County purchased an additional one acre tract in 1995 adjacent to the Center for parking.

Staff has developed four options for consideration:

- ◆ Option 1) Consistent with the adopted FY04/05 budget, this option includes the cost to perform renovations (including code compliance, accessibility, ceiling, and wallboard replacements) of the current 3,000 SF Center and add a 500 SF addition that matches existing construction. Anticipated completion time is mid 2006. Costs are anticipated to increase by 10% per year beyond that time.
- ◆ Option 2) Cost to construct a new 3,500 SF brick Center on existing property. Anticipated completion time is 2007. Costs are anticipated to increase by 10% per year beyond that time.
- ◆ Option 3) Cost to construct a new 3,500 SF Center on existing property. The community facility would be a Department of Community Affairs rated (165 mph wind load criteria) Center/Hurricane Shelter. Anticipated completion time is early 2007. Costs are anticipated to increase by 10% per year beyond that time.
- ◆ Option 4) Cost to perform minimal upgrades to the current 3,000 SF Center to improve code compliance, accessibility, ceiling, and wallboard replacements only. This option does not include any additions of space being made to the building. This option can be completed within the available appropriation. Anticipated completion time is late 2005. Costs are anticipated to increase by 10% per year beyond that time.

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However, it is noted that options 2 and 3 assumes rebuilding upon existing land, which may be precluded, without resolution of the noted deed restriction.

Table 2B

Miccosukee Community Center	Available Budget	Cost to Complete	Budget Shortfall
#1 Upgrades and 500 SF addition	\$144,918	\$255,000	\$110,082
#2 New 3,500 SF facility	\$144,918	\$840,000	\$695,082
#3 New hurricane proof 3,500 SF facility	\$144,918	\$1,155,000	\$1,010,082
#4 Upgrades to existing facility only	\$144,918	\$115,500	(\$29,418)

2C) Woodville Community Center – 7575 Woodville Highway (Own) 4,800 SF

A Board Workshop was conducted in Sept., 2003. This Workshop evaluated siting criteria, square footage, architectural aspects and cost requirements. A site was approved for purchase by the Board on January 11, 2005. The design phase of the project is continuing with completion expected during 2005 and construction completion during 2006. The total project budget approved for this Center was \$835,000. Approximately \$100,000 has been spent to date for architectural related services.

Table 2C

Woodville Community Center	Available Budget	Cost to Complete	Budget Shortfall
	\$723,844	\$1,058,052	\$334,208

2D) Capital Cascades Greenway

This project provides for the development of a public trail and greenway system along the Lake Henrietta/Lake Munson portion of the master planned Capital Cascades Greenway. A public meeting was held in the spring of 2004 to gather input on what amenities would be priority. The consultant has been contracted to do the design work, and staff anticipates having the finished design by the first of February. Preliminary estimates indicate that the available budget of \$234,539 will not be sufficient to complete the project. The consultant estimates that \$260,000 would be sufficient, therefore an additional \$25,461 should be considered.

Table 2D

Capital Cascades Greenway	Available Budget	Cost to Complete	Budget Shortfall
	\$234,539	\$260,000	\$25,461

2E) Chaires Community Park

This capital project includes implementation of the final phase of the Chaires-Capitola Community Park master plan for the construction of restroom facilities on the property. The construction is scheduled to begin in the summer of 2005 once the Little League season is complete. The current estimate from the architects is approximately \$220,000. This estimate is based upon the construction costs for similar facilities installed at the Miccosukee Community Park and has been adjusted to incorporate the design differences as well as anticipated inflation. In addition, staff believes it will require an additional \$50,000 to install fencing and create nature trails on the adjacent County borrow pit which will enhance the overall park facility.

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Table 2E

Chaires Community Park	Available Budget	Cost to Complete	Budget Shortfall
	\$258,093	\$270,000	\$11,907

2F) Northeast Community Park

This project is for the acquisition of property and subsequent development of a community park in the northeast area of unincorporated Leon County. Proposed development is for a full service park which would include two Little League Baseball fields, multipurpose/soccer field, two tennis courts, one basketball court, restroom and concession facility, and parking. The estimated cost to construct such a facility is \$1.4 to \$1.6 million dollars. The acquisition of property would be an additional cost. Originally staff anticipated that 15-20 acres for the park could be purchased for \$400,000 to \$600,000. However, with rising land values and the most recent appraisal experience with the Velda Dairy property, it is likely that the cost to purchase such acreage is approximately \$1 million dollars. As such, an additional \$416,396 is necessary to ensure the project can be completed within budget.

Table 2F

Northeast Community Park	Available Budget	Cost to Complete	Budget Shortfall
	\$2,183,604	\$2,600,000	\$416,396

2G) Main Library and Health Department Heating/Cooling Systems

The Main Library heating, ventilation and cooling (HVAC) equipment consists of a single 300 ton water cooled chiller that is in poor condition. The Main Health Department HVAC equipment consists of a single 80 ton air cooled chiller in fair condition, with two multi-zone air handler units (AHU). The Library chiller and Health Department AHU's are in need of replacement. Current desires are to replace the Library chiller with a new 300 ton water cooled centrifugal chiller that is capable of variable primary flow; and to replace the AHU's at Main Health Department with new variable air volume and variable frequency drive equipment, that is on each of the two available floors. These two projects would save the County approximately \$50,000 annually in its building operating costs. Also, it is noted that an impending failure of the Library chiller appears imminent, and its repairs are unlikely. Avoidance or deferral of this project into the future, will increase the likelihood of facing an emergency repair, and may vastly increase the costs and disrupt service deliveries to the building. If an emergency chiller repair with temporary cooling systems were required at the Library an additional \$150,000⁺ will be required. This will result in an approximately 30% increase in cost.

Table 2G

Library / Health HVAC	Available Budget	Cost to Complete	Budget Shortfall
	\$0	\$807,000	\$807,000

3. Other Projects

The following are brief status reports on other projects. At this point in time, no additional funding is required for these projects.

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- 3A) Ft. Braden Community Center
- 3B) Jackson View Park
- 3C) Lake Jackson Branch Library/Community Center

3A) Ft. Braden Community Center

A leasing agreement was executed on March 22, 1994 with the Leon County School Board. The Fort Braden Community Center is housed in the old Fort Braden Elementary School building, which is leased from the Leon County School Board for \$1.00 per year. The current lease expires in March, 2005, with one three year extension remaining. The Division of Facilities Management provides for the physical maintenance and care of this facility, through its various operating funds, periodic capital appropriations and State historic preservation grant assistance.

The County has approached School Board representatives regarding transferring the property to the County with a reverter clause. In recent discussions, the Superintendent has been receptive to this, however, he advises that the School Board wishes to retain naming rights of the facility. The Superintendent stressed that there are no plans to deprive or restrict the County of this facility's use as a community center whatsoever.

The Superintendent has expressed a desire to address all foreseeable facilities issues with the County in a comprehensive manner, rather than dealing with them separately. Such issues include future land purchases and/or property exchanges for county parks and possible partnerships for school facility reuse in the southside. The Division of Management Services is working with the Leon County School Board's Facilities Division to address these issues and intends to bring back recommendations to the Board.

3B) Jackson View Park

This project is to develop a 26 acre parcel, formerly known as the Pelham property, into a passive recreation facility with amenities to include wildlife observation areas, walking trails, and picnic facilities. A public meeting has been held, and the consultant is currently doing design work for the project. Staff is attempting to obtain a state grant from the Land and Water Conservation Fund to assist with this project. The application was rejected last year, but will be submitted again for review during this year's grant cycle (Feb/March 2005). The maximum grant amount would be \$200,000, and the County would be required to match those funds. If grant funds are not received, however, staff recommends at least minimal improvements to the property (i.e. fencing, small parking area, and nature trails) to preserve the land and improve the quality of life for residents in the neighborhood.

3C) Lake Jackson Branch Library/Community Center

Contemplating the receipt of the anticipated state grant for approximately \$370,000 and allocating the \$200,000 in proceeds from the Tower Road property exchange, this project will have adequate resources to be completed.

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4. Projects Requiring Additional Future Funding

The following is the list of projects that have adequate resources for the next 1 to 3 years but will require additional funding as part of future budget processes:

- 4A) Bank of America/Courthouse Renovations
- 4B) Apalachee Parkway Branch Library
- 4C) Apalachee Regional Park

4A) Bank of America Building and Annex (BOA) & Courthouse Renovations

The future cost allocation reflected below is consistent with the Courthouse Master Plan for the next 3-5 year time period, as approved by the Board on October 12, 2004.

Table 4A

	Available Budget	Cost to Complete	Future Allocation
Bank of America (BOA)	\$3,434,677	\$3,514,878	\$80,201
Courthouse Renovations	\$1,718,612	\$8,256,931	\$6,538,319
Total	\$5,153,289	\$11,771,809	\$6,618,520

4B) Apalachee Parkway Branch Library

The cost to complete assumes this facility will not require any land acquisition costs and will be built on either County owned or donated land.

Table 4B

	Available Budget	Cost to Complete	Future Allocation
Apalachee Parkway Branch	\$873,664	\$3,260,000	\$2,386,336

4C) Apalachee Parkway Regional Park

This project contemplates the construction of a regional park, greenways and a new building to accommodate parks and recreation and solid waste staff. The overall cost will vary depending upon what final amenities are incorporated into the master plan.

Table 4C

	Available Budget	Cost to Complete	Future Allocation
Apalachee Regional Park	\$1,000,000	\$3,900,000	\$2,900,000

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5. Growth and Environmental (GEM) Facility Project

Per Board direction at its December 14, 2004 meeting, five alternatives for these offices were considered. These are summarized in the following table; additional details are presented afterwards.

Table 5

	Description	Estimated Cost to Deliver	Additional Funding Required
#5A	Renovate existing offices	\$1,069,005	\$0
#5B	Sell building & lease space	Cumulative costs for average 10-year triple net lease: <ul style="list-style-type: none">• \$5.7 million	Funding of the cumulative costs for average 10-year triple net lease: <ul style="list-style-type: none">• \$3.5 million
#5C	Purchase and renovate a State-owned building	The average cost: <ul style="list-style-type: none">• \$8.5 million +/-	Funding of the average building purchase/renovation cost: <ul style="list-style-type: none">• \$6 million +/-
#5D	Purchase and renovate privately-owned building	\$4.7 million to \$8.2 million	\$2.5 million to \$6 million
#5E	Build 30,000 SF building on County-owned land	\$5.6 million	\$3.4 million

Alternative #5A: Renovate the GEM building in accordance with current design and construction plans. No additional funding is required for this project if the current bid is acted upon no later than February 15, 2005.

The GEM building is approximately 26,061 SF of total space. GEM and the Health Department combined currently occupy 18,022 SF. The current project increases their combined space by 8,039 SF (44.5%) and provides for the renovation of 10,651 SF. Improvements include upgrading the front office façade and entranceway; modernizing the reception area with a vaulted tray ceiling and a glass front; upgrading restrooms; providing two customer service rooms; a large file room; a laboratory; electrical and data rooms; 7 offices for customer services and plans reviews; 4 intake area offices for customer services near the entranceway; and adding a licensing room also near the front office. It is expected that these renovations will greatly improve the building not only visually, but also improve services provided to GEM's customers.

Leon County advertised and received bids for project construction, and received a low bid of \$957,000. The bidder has agreed to retain this bid amount through February 15, 2005 and has indicated his costs will increase by 4.5% immediately thereafter. On December 14, 2004 the Board did not approve the award of the bid and directed staff to identify other GEM office locations. Expenses to date on this project total \$129,325.

Investing in and holding this property would likely increase the revenue the County would realize at some future point in time when it no longer serves the County's needs.

Table 5A

Renovation of GEM Facility	Available Budget	Cost to Complete	Budget Shortfall
	\$1,069,005	\$1,069,005	\$0

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Alternative #5B: Sell the GEM building, realign the current CIP balance, and use these anticipated revenue sources to lease privately owned space.

This alternative includes the following:

- It is assumed that \$2,210,255 would be realized from the sale of GEM and the realignment of the CIP (\$1.25 million from the sale, less \$108,750 in a broker's fees and closing costs, plus \$1,069,005 from the realignment of the CIP balance).
- Generated funding is anticipated to fund the average triple net lease for approximately 3 years.
- An additional \$3.5 million in funding would be required to fund the average triple net lease for 10 years.

Lease rate information is based on a "triple net lease." In general, the concept of a triple net lease requires the tenant to assume full responsibility for the leased premises on a fully maintaining and repairing basis. Tenant costs typically include items such as taxes, internal and external maintenance and repair, security and cleaning. Lease agreements may be negotiated on different terms, and could exclude repairs to the roof and shared infrastructure, for example. Relative to the tax impact on the County, it could expect to pay the lessor's property taxes on the property it leases. Approximately 39% of the total property tax bill is funding for Leon County's General Fund. Therefore, the General Fund would realize a return of 39 cents of each dollar paid through by the County through lease payments in support of the lessor's property taxes.

Triple Net Lease Rates:

- \$3.5 million in additional resources would be needed to fund an average 10-year triple net lease. The generated funding would fund the cost of leasing for approximately 3 years, assuming a 3% annual rate of return on the balance of generated funding. A survey of available properties for lease provided the following average 10-year triple net lease rates: \$12/SF, with an average annual escalation of 3.17%, for 32,648 square feet. These costs do not consider operating, maintenance and repair expenses for the leased site. Sites in this survey include existing buildings as well as one with a projected completion date of early next calendar year.
- The average annual triple net lease cost for year four would be \$430,122, increasing to \$518,594 in year ten.
- The lowest cost/SF identified through the survey was a cost of \$5/SF on a triple net basis for 10 years with a 4% annual escalation clause, or \$7/SF on a triple net basis including tenant improvements for 10 years with a 4% annual escalation clause. The cost to ready the site and to lease it for 10 years would require \$181,227 to \$275,092 in additional funding to support. Assuming a continued 4% annual increase: (1) the lease payment for year 11 would be \$216,116 to \$302,562; and (2) the cumulative additional resources needed would total between \$1.5 and \$2.1 million by year 15. According to the Property Appraiser's database, this property lies within the 100 year floodplain; however the property representative advises that it is not within the floodplain. Staff confirmed with the City that the floodplain in this

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area is being adjusted downward by 4 feet, so that property previously within the floodplain will be out of the zone. GEM needs a securely fenced parking area for county vehicles. The property representative has advised staff that a back parking area may be fenced to meet this need.

- Impact of the Sale of the Tharpe Street Building on Leon County's Property Taxes: If the property is returned to the tax rolls through its purchase by a private entity, and it is taxed on the basis of \$1.25 million, and GEM's relocation does not result in a more valuable property being taken off the tax roll, the property would generate approximately \$10,675 in General Fund to the County.
- The County would lose the advantages of ownership by entering into a long-term lease: capital appreciation of the property over time and retiring debt service. Further, the County loses flexibility and control over leased property (it is under contract with the property owner for the lease term, whether or not its needs change). Additionally, at the end of the lease period, the County would be in the position of continuing to lease property elsewhere at the market rate existing at the time, or pursuing the purchase or construction of another facility.

Table 5B

Leasing Space	Anticipated Resources	Avg 10-Yr Triple Net	Budget Shortfall
	\$2,210,255	\$5,746,185	\$3,535,930

Alternative #5C: Sell the GEM building, realign the current CIP balance, and use these anticipated revenue sources to purchase and renovate a State-owned building.

This option assumes the following:

- It is assumed that \$2,210,255 would be realized from the sale of GEM and the realignment of the CIP (\$1.25 million from the sale, less \$108,750 in a broker's fees and closing costs, plus \$1,069,005 from the realignment of the CIP balance).
- It is estimated that \$6⁺ million in additional revenue would be needed to purchase and renovate one of the buildings identified by the state as potentially being offered for sale.

Three parcels of interest were identified by the state as likely properties that will be offered for sale.

The three properties are:

- The Johns Building Parcel at 725 S. Bronough Street. This parcel includes the Johns (44,754 SF) and Clemons (10,794 SF) buildings. Staff has been advised that, while the state would prefer that the parcel be purchased in total, it would consider single building bids. As the Clemons is too small, this analysis considers only the purchase of the Johns building, which was built in 1963 and has been identified by the state as in "good" condition.
- The Warren Building Parcel at 202 Blount Street. This is a single building parcel with a building size of 36,890 SF. The Warren building was built in 1974 and the state has identified this building to be in "poor" condition.

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- The Firestone Building Parcel at 402 E. Gaines Street. This parcel includes the Firestone (43,133 SF), Chapman (6,533 SF), and the Records Center (20,912 SF) buildings. Staff has been advised that, while the state would prefer that the parcel be purchased in total, it would consider single building bids. As it is assumed that the Chapman and Records Center buildings are too small, this analysis considers only the purchase of the Firestone building, which was built in 1936 and has been identified by the state as in "poor" condition.

The sales price, which will be the appraised value, has not been made available. The average appraised value of these buildings is projected to be \$4 million (with a range from \$3 million to \$4.7 million), and the average cost to renovate and prepare these building for occupancy is estimated to be \$4.5 million. Based on the average projected cost for all three buildings, the total estimated cost to purchase and ready one of these properties is estimated to be \$8.5 million. As a result, \$6+ million in additional funding would be required to fund this project. The Warren building is the smallest (36,890 SF), with an estimated cost to purchase and renovate totaling \$7 million. It is estimated that \$4.9 in additional funding would be required to purchase and renovate the Warren building.

It is important to note that:

- The scope of the work required to prepare these buildings for occupancy may require full building retrofit, compliant with current Florida Building Code, which may greatly increase the expected costs for delivery of this option (such costs are excluded) .
- All of these estimates were based on high level assumptions, including the assumption that adequate parking will be available within the estimated costs. A full due diligence process would be required to closely identify associated costs.
- These estimated sales prices may vary widely from the State's appraisals when released. The numbers utilized for this item were based on some projections made through the Property Appraiser's office for total parcels, with individual building values pro-rated on the basis of SF.

Table 5C

Purchase/Renovate a State Bldg	Anticipated Resources	Avg Building Cost	Budget Shortfall
	\$2,210,255	\$8,486,410	\$6,276,155

Alternative #5D: Sell the GEM building, realign the current CIP balance, and use these anticipated revenue sources to purchase and renovate a privately-owned building.

This option assumes the following:

- It is assumed that \$2,210,255 would be realized from the sale of GEM and the realignment of the CIP (\$1.25 million from the sale, less \$108,750 in a broker's fees and closing costs, plus \$1,069,005 from the realignment of the CIP balance).
- It is estimated that \$2.5 to \$6 million in additional funding would be required.

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Three properties were identified through a recent survey. It is important to note that all cost estimates were based on high level assumptions and an appropriate due diligence process, including a facility survey, would be required to closely identify costs.

- **Property A** – This property consists of two buildings totaling 30,285 SF. Assuming these facilities are in move-in condition and require no large capital outlay to prepare, other than typical tenant improvements, the cost to purchase and prepare would total \$3.3 million. Additionally, annual recurring costs for additional leased parking, estimated at \$18,360 for the first year, would be needed if adequate close proximity leased spaces are available. Combined, the 10-year cost for purchasing and preparing the building, as well as leasing parking, would require \$1.2 million in additional resources. This property has also been made available to the County as a triple net lease, at an approximate \$14/SF rate including tenant improvements.

However, GEM would be split into 2 buildings on 7 total floors. Given the potential negative impact such a configuration would have on customer service and office operations, this site has not been considered in Table 5 of this workshop item. Full due diligence, including space planning, would be required to closely identify costs and to determine whether this is a viable option from a customer service and operations standpoint.

Table 5D.1 – Property A

Purchase/Renovation/Parking	Anticipated Resources	Building Cost	Anticipated Shortfall
	\$2,210,255	\$3,464,917	\$1,254,662

- **Property B** – A turn-key price of \$4.16 to \$4.8 million has been presented, depending upon the extent of improvements required, for property that consists of 27,732 SF and 72 parking spaces. The cost for 18 additional parking spaces brings the total turn-key price to a range of \$4.36 million to nearly \$5 million. Additional revenue to pursue GEM's relocation to this site is estimated to be within the range of \$2.5 million to \$3.2 million (including associated project costs, such as due diligence, closing, relocation, etc.). Although this is a turnkey offer, a due diligence process is recommended to assure that all deficiencies identified through the process are appropriately addressed. This property has also been made available to the County as a full service lease (not triple net) at the rate of \$18 to \$22/SF for a minimum of ten years.

Table 5D.2 – Property B

Purchase Turn-key /Parking	Anticipated Resources	Cost Range	Anticipated Shortfall
	\$2,210,255	\$4,727,415- \$5,370,615	\$2,517,160- \$3,160,360

- **Property C** - Assuming this facility is in move-in condition and requires no large capital outlay to prepare, other than typical tenant improvements, the cost to purchase and prepare

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would total \$7.8 to \$8.2 million. Therefore, \$5.5 to \$6 million in additional revenue is estimated to be needed. This is a high level cost estimate and would require a facility survey to more closely identify the associated costs. Additionally, the building is larger than required, totaling 53,458 SF. Assuming GEM occupies the first two floors (33,417 SF), the balance of the space (20,041 SF) could be placed on the market for lease, generating perhaps \$200,000 in lease revenue annually. Adequate parking is provided as part of the purchase price.

Table 5D.3 – Property C

Purchase and Renovate	Anticipated Resources	Estimated Cost	Anticipated Shortfall
	\$2,210,255	\$7,755,718 - \$8,176,497	\$5,545,463 - \$5,966,242

Alternative #5E: Sell the GEM building, realign the current CIP balance, and use these anticipated revenue sources to build a 30,000 SF building on County-owned property.

This option assumes the following:

- It is assumed that \$2,210,255 would be realized from the sale of GEM and the realignment of the CIP (\$1.25 million from the sale, less \$108,750 in a broker's fees and closing costs, plus \$1,069,005 from the realignment of the CIP balance).
- It is estimated that a 30,000 SF building could be delivered on County-owned property for \$5.6 million. As a result, \$3.4 million in additional resources would be required to fund.

Table 5E

Construction on County Property	Anticipated Resources	Estimated Cost	Anticipated Shortfall
	\$2,210,255	\$5,622,500	\$3,412,245

6. Conclusion

The County is currently proceeding with a number of capital projects that require additional funding. In addition to the existing projects, the Board has directed staff to review alternative locations for the GEM Facility. However, given both the current and future funding demands, and current certainties of project specific costs, staff recommends proceeding immediately with the Tharpe Street facility renovation. If the Board wishes to consider another alternative than is stated, a future agenda item will be presented with alternative project cuts. However, this delay may place in jeopardy the current bid results for the GEM renovations, and increase project costs.

Other projects included in the workshop packet have adequate resources to proceed for the next 1 to 3 years, but will require additional appropriation in subsequent budgets. There are a number of projects that have adequate funding to proceed as currently scheduled.

Additional resources of \$2.453 million have been identified to help support the existing shortfalls identified. The following table summarizes the various project funding requirements and the recommended allocation of additional resources:

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Table 6: Summary of Project Funding

Current Projects	Available Budget	Cost Complete	Funds Required
Bradfordville Comm. Center	\$44,378	\$157,710	\$113,332
Miccosukee Comm. Center (500 SF)	\$144,918	\$255,000	\$110,082
Woodville Comm. Center	\$723,844	\$1,058,052	\$334,208
Capital Cascades Greenway	\$234,539	\$260,000	\$25,461
Chaires Comm. Park	\$258,093	\$270,000	\$11,907
Northeast Comm. Park	\$2,183,604	\$2,600,000	\$416,396
Main Library/Health Dept HVAC	\$0	\$807,000	\$807,000
Total Funds Required			\$1,830,386
Less Additional Resources			\$2,453,000
Balance			\$634,614
Balance to:			
Courthouse Project			\$554,413
BOA			\$80,201

Options:

1. Approve the reallocation of \$2,453,000 derived from \$1.0 million from the DJJ State payment, \$1,278,000 in FY04 Constitutional Officer excess fees and the proceeds from the Old Bradfordville School Land sale estimated at \$175,000 towards the following projects:
 - \$113,332 Bradfordville Community Center
 - \$110,082 Miccosukee Community Center
 - \$334,208 Woodville Community Center
 - \$25,461 Capital Cascades Greenway
 - \$11,907 Chaires Community Park
 - \$416,396 Northeast Community Park
 - \$807,000 Main Library/Health Dept Heating & Cooling
 - \$634,614 Bank of America (\$80,201)/Courthouse Renovations (\$554,413)
2. Authorize staff to proceed with the renovation of the Tharpe Street Facility.
3. Authorize the proceeds from the sale of the Old Bradfordville School site to be removed from the flooded acquisition funding list.
4. Direct staff to develop a policy relating to the County's community center obligations.
5. Direct staff to provide funding to the projects at a level determined by the Board.
6. Direct staff to not proceed with the renovation of the Tharpe Street Facility and develop a future agenda item identifying alternative capital project reductions to provide funding for an alternative GEM facility location.
7. Board Direction

Recommendation:

Options 1 through 4

PA/VL/KD/TP/AR/ar